

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 7535

Investigation into: (1) petition of AARP, for the)
establishment of reduced rates for low-income)
consumers of Green Mountain Power Corporation and)
Central Vermont Public Service Corporation; and (2) as)
expanded to possibly include general applicability to all)
Vermont retail electric utilities)

Order entered: 9/21/2009

ORDER RE: SCOPE OF PROCEEDING

On July 21, 2009, the Public Service Board ("Board") opened this investigation in response to a petition by AARP, pursuant to 30 VSA § 218(e), to consider the establishment of reduced electricity rates for low-income residential customers in the service territories of Green Mountain Power Corporation ("GMP") and Central Vermont Public Service Corporation ("CVPS"). In this Order, we expand the scope of this proceeding to include consideration of program-related issues, including design, that may have application beyond the service territories of the two above-named electric utilities. We also include within the scope of this proceeding whether this Board should establish obligations that may apply to Vermont electric utilities that were not the subject of the original petition. Finally, we join all Vermont retail electric utilities in this proceeding.

On August 4, 2009, the Hearing Officer held a prehearing conference in this investigation. At that time, the Vermont Department of Public Service ("Department") raised the issue of whether this investigation should include consideration of implementing a statewide obligation for all electric utilities to provide a reduced-rate program for low-income electric customers, as opposed to limiting this docket to consideration of a low-income program only in the service territories of GMP and CVPS. By expanding the scope in this way, participation in

this proceeding would need to include other Vermont electric utilities. At that time, there appeared to be general agreement that the investigation should be expanded to include participation by all of Vermont's electric utilities. The Department asked to be given leave to file additional comments after discussion with other Vermont utilities that were not present at the prehearing conference.

On August 11, 2009, the Department filed a letter reporting on its discussions with several other Vermont electric utilities stating that "it would be better in terms of equity and efficiency to include the other utilities at this time." The Department cited the following three reasons.

First, the Department maintains that if creating a low-income rates program is deemed appropriate as a matter of public policy in Vermont, then "all the consumers in the state should potentially be allowed to share in the benefits and costs." Second, if there is any chance that any program arrived upon through this proceeding may be applied to the other utilities, "it makes sense to include the other utilities up front in the interest of judicial economy."¹ Third, the other utilities may provide valuable contributions to this proceeding.

These comments were supported by several of the utilities the Department consulted. The Department reported that Vermont Public Power Supply Authority raised fundamental concerns about the establishment of such a program, especially in these challenging economic times, while the City of Burlington Electric Department and Washington Electric Cooperative Inc., "thought that if any party contemplated a low income program such as the proposed by AARP being applied to the entire state, then 'the other utilities not named in the Petition need to be involved.'"² Further discussion of this topic was also the subject of a workshop convened on September 2, 2009. All of the utilities who participated in that workshop have since moved to intervene in this proceeding.

1. Letter dated August 11, 2009, to Susan M. Hudson, Board Clerk from Sarah Hofmann, Esq., Department of Public Service, Director for Public Advocacy.

2. *Id.* at 2.

Because this topic concerns the scope of an investigation that the Board opened, expanding the scope of the investigation is a matter for the Board's consideration, rather than the Hearing Officer's. Having considered the comments we have received to date from the Department and other electric utilities who have expressed an interest in this investigation, we have decided to expand the scope of this proceeding to include consideration of the following issues that potentially could have general application to all electric utilities in Vermont:

1. Whether, and if so, to what extent, the central features of any program that may be established in the context of this proceeding may appropriately be extended to other Vermont electric utilities that may either choose to, or may become obligated to, establish a low-income rate program;

2. Whether an obligation to have a low-income program should extend to other Vermont electric utilities not named in AARP's petition, and

3. Whether all of the necessary or appropriate mechanisms that could be used under existing law to produce efficiencies or economies in the administration of a low-income rate program with more than one utility have been incorporated into the AARP proposal as reflected in AARP's pending petition.

The scope of this proceeding is hereby expanded to consider these issues. Given this expanded scope, all Vermont retail electric utilities shall be deemed joined in this proceeding and must file a notice of appearance. Accordingly, the intervention motions filed on August 21, 2009, by Washington Electric Cooperative, Inc. and the Group of Municipal Electric Utilities are hereby mooted out and shall not be ruled upon. This investigation is now returned to the Hearing Officer.

SO ORDERED.

Dated at Montpelier, Vermont, this 21st day of September, 2009.

<u>s/James Volz</u>)	
)	PUBLIC SERVICE
)	
<u>David C. Coen</u>)	BOARD
)	
)	OF VERMONT
<u>s/John D. Burke</u>)	

OFFICE OF THE CLERK

FILED: September 21, 2009

ATTEST: s/Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)